

APPENDIX A – DIRECTORATE COMMENTARY

Social Care, Health and Housing (SCHH)

1. The Directorate General Fund forecast outturn is below budget by £0.3M as at June 2017.

Month: June 2017	Year to date				Year				
	Budget	Actual	Proposed (use of) / contribution to Earmarked reserves	Variance	Approved Budget	Forecast Outturn	Forecast Variance	Proposed (use of) / contribution to Earmarked reserves	Forecast Variance after use of earmarked reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Social Care Health and Housing									
Director of Social Care, Health, Housing	65	132	(95)	(28)	260	640	380	(380)	-
Procurement and Customer Services	256	337	-	81	1,024	1,232	209	-	209
Housing Solutions (GF)	776	809	-	33	3,103	3,199	96	-	96
Care and Support	3,134	2,931	-	(203)	12,536	12,698	162	-	162
OPPD - Care Management	8,237	8,400	(175)	(12)	32,874	34,668	1,794	(700)	1,094
LD Care Management & MH Packages	5,439	4,727	-	(712)	21,742	20,420	(1,322)	-	(1,322)
Head of Integrated Services + Other IS	204	199	-	(5)	818	866	49	-	49
Commissioning	2,477	1,896	-	(581)	9,909	8,815	(1,094)	-	(1,094)
Resources	(2,356)	(2,569)	368	155	(9,424)	(10,351)	(927)	1,473	546
Total Social Care and Health	18,232	16,862	98	(1,272)	72,841	72,187	(654)	393	(261)

2. The June forecast incorporates technical adjustments in the establishment of the ASC Transformation Reserve (where £1.7M has been transferred into the reserve from the SCHH baseline budget for 2017/18), the 1% Precept Reserve and the ASC Dedicated Grant Reserve. £0.7M has been drawn down from the 1% Precept Reserve in recognition that there has been a 4% fee uplift for the Council's external care providers.
3. To support the pressure around transitional accommodation and the usage of Bed and Breakfast (B&B) accommodation, the Council agreed to invest £3.7M in purchasing transitional accommodation. To June 2017 (including the 2 previous financial years) 12 purchases have been completed. Two further purchases have been agreed and are in progress. In addition, lower cost "leasing" options are being progressed to provide further bed spaces for transitional accommodation.
4. The service is also using private self contained accommodation on a nightly let basis where the net cost is significantly lower than B&B accommodation but still costly. The Council are utilising an additional 28 "satellite" properties and five Aragon properties as transitional accommodation, as well as specific supported accommodation in Houghton Regis and Leighton Buzzard. The previous peak of April 2016, when there were 99 households in transitional accommodation, has been exceeded at the end of June 2017 to 171 (an increase from 161 at the end of May). The increase is due to the number of households approaching the Council for housing advice and also the limited supply of permanent rented housing to move people into. 143 approached in May and 148 in June, many of whom are approaching as homeless on the day and many with complex needs.
5. The Adult Social Care service (Care & Support, Older People with Physical Disabilities, Learning Disabilities, Integrated Services) is forecasting an underspend of £0.019M after use of reserves but excluding customer contributions. A £0.7M contribution from reserves has contributed to this favourable variance.
6. This division has to absorb the risk of increasing Older People, Physical and Learning Disability package volumes and costs. People are living longer and the costs of dementia are on the increase. Demographic, complex needs and fair cost of care pressures amounting to £4.038M has been built into the budget to reflect the impact of both an

ageing population and the additional costs associated with the transition of younger people with disabilities into Adult Social Care. There are, however, significant efficiency targets for this area totalling £1.264M.

7. The Commissioning Service is projecting an under spend of £1.095M. This is due to underspends within the Block Contracts and the Dementia Premium for 2017/18
8. Resources is showing a projected over spend of £0.5M. Within Resources there is a projected £1.1M over achievement in customer contributions. However, the transfer of £1.7M to the ASC Transformation Reserve accounts for Resources reporting a forecast over spend.
9. The Directorate continues to track the impact of former self funders who exert pressure on residential and nursing placements budgets. Twelve have required council support during 2017/18 compared to twenty three that required support for the same period in 2016/17. The full year cost is estimated to be £0.2M.
10. There remain risks relating to the funding of customers being assessed under the Clinical Treatment Review in a response to the Winterbourne View national programme.

Better Care Fund (BCF)

11. The overall funding for the financial year 2017/18, and corresponding programme, is still to be determined given that final BCF planning guidance has been delayed. The new improved BCF funding equates to £1.81M
12. HRA is subject to a separate report.

Children's Services

13. The Directorate forecast outturn is on budget as at June 2017.

Month: June 2017	Year to date				Year				
	Budget	Actual	Proposed (use of) / contribution to Earmarked reserves	Variance	Approved Budget	Forecast Outturn	Forecast Variance	Proposed (use of) / contribution to Earmarked reserves	Forecast Variance after use of earmarked reserves
Director	£000	£000	£000	£000	£000	£000	£000	£000	£000
Children's Services									
Director of Children's Services	163	163	-	-	652	652	-	-	-
Children's Services Safeguarding & Early Help	5,708	5,721	(13)	-	22,715	22,768	53	(53)	-
LAC Placement Costs	2,252	2,276	(24)	-	8,988	9,083	95	(95)	-
Education and Transformation	1,195	1,202	(7)	-	4,977	4,987	10	(10)	-
Partnerships	196	223	(27)	-	534	640	106	(106)	-
Education Services (Now reported in Education & Transformation)	-	-	-	-	-	-	-	-	-
Total Children's Services (ex Schools / Overheads)	9,514	9,585	(71)	-	37,866	38,130	264	(264)	-

14. A number of risks have been identified that could adversely affect the forecast later in the year and these have been placed on the risk register as possible overspends in 2017/18. Work will continue to find mitigating savings to offset these potential overspends:
 - £0.582M In-House Fostering likely overspend. Service is aiming for a 70/30 split with Independent Fostering and Adoptions currently 64/36. Currently 125 In-house placements, the budget and reserve allow for 99 average cost placements. An efficiency of £0.2M has been deducted from 2017/18. This is due to rise to £0.3M

in 2018/19 and £0.480M in 2019/20.

- £0.109M Independent Foster Agency, currently 71 placements, budget allows for 67 average cost placements. Three placements are due to end in 2017/18.
- £0.081M Court & Permanence pressure currently being offset by savings in the Swanstaff contract for Looked After Children (LAC) with external providers (£0.092M).

15. The tables below reflect the increased number of LAC and non care placements.

	May 2016	May 2017	% change
Number of LAC :	253	265	4.7%
In House Foster Placements	114	125	9.6%
Independent Foster Placements	66	69	4.5%
Residential Homes & Schools	9	8	(11%)
St Christopher's (Clophill & Bunyan Road)	6	6	n/c
St Christopher's (Stewartby)	1	1	n/c
Semi - Independent Living (aged 16 & 17)	10	7	(30%)
Placed for Adoption/ with Parents	32	32	n/c
Children with Disabilities (CWD Maythom and Residential School)	9	8	(11%)
Young Offenders serving custodial sentences /Temp Accom / Youth Offending/NHS	5	7	40%
IFA Parent & Baby	1	2	100%

Unaccompanied Asylum Seeking Children:	49	44	(10.2%)
In House Foster Placements	8	9	12.5%
Independent Foster Placements	14	6	(57%)
Semi Independent Living (aged 16 & 17)	27	29	7.4%
Total Number of LAC:	302	309	2.3%

	May 2016	May 2017	% change
Non care placements :			
Special Guardianship Orders	120	136	13.3%
Residential Orders	41	40	(2.4%)
Adoption Allowances	43	49	13.9%
Other information:			
Child Protection Plan	211	182	(13.7%)
Children in Need	1433	1373	(4.2%)
Number of Referrals (YTD)	371	363	(2.2%)

	Movement YTD Inc. UASC
LAC (28 th March Panel)	
In House Placements (April 134)	0
Independent Foster Placements (April 75)	0
Semi Independent Living (April 45)	-9
Special Guardianship Orders (April 136)	0

16. There are currently 22.6fte agency staff across Children's Services Operations covering 17.8fte vacant posts, two Assisted Years Supported Employment and 2.8fte maternity leave.

Community Services

17. The Directorate forecast outturn is below budget by £0.1M as at June 2017.

Month: June 2017	Year to date				Year				
	Budget	Actual	Proposed (use of) / contribution to Earmarked reserves	Variance	Approved Budget	Forecast Outturn	Forecast Variance	Proposed (use of) / contribution to Earmarked reserves	Forecast Variance after use of earmarked reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Community Services									
Community Services Director	70	60	(7)	(17)	280	246	(34)	(7)	(41)
Highways Transportation	4,517	4,437	(25)	(105)	16,169	16,101	(68)	(27)	(95)
Environmental Services - Waste	4,923	5,101	(67)	111	19,528	20,069	541	(480)	61
Environmental Services - Other	1,220	1,266	(148)	(102)	4,753	5,387	634	(633)	1
IT	1,308	1,549	(225)	16	5,231	6,131	900	(900)	-
Assets (including Working Smarter)	1,191	1,301	(86)	24	4,241	4,329	89	(129)	(41)
Total Community Services	13,229	13,714	(558)	(73)	50,201	52,263	2,062	(2,176)	(114)

Highways Transportation

18. Highways and Transport is forecasting an overall underspend of £0.1M and has a year to date underspend of £0.1M.
19. Educational Transport are forecasting an on budget position but have raised a risk of £1.5M. The risk has been raised due to the current actual position. New contracts will be let over the summer for the new academic year and a review of the costs and forecast will take place as the costs going forward are known.
20. Highways Contracts are forecasting a £0.1M overspend. This is due to the additional one-off cost of £0.1M for filling the new salt barn at Thorn Turn, along with a forecast overspend of £0.03M for fixed cost services which relates to the contract management.
21. Passenger Transport Services are forecasting an underspend of £0.2M, of which £0.135M relates to Transport Contracts where savings are forecast as a result of service changes due to new passenger transport strategy

Environmental Services

22. Environmental Services are forecasting an overall underspend of £0.06M after the use of reserves of £1.1M for one off specific projects.
23. Libraries are forecasting a £0.1M underspend. There are forecast underspends against staffing £0.17M due to the restructure of hours within the library service which has meant

that vacant positions are not currently being recruited to although there is use of casual staff, Car Mileage £0.017M as a result of fewer staff and a £0.013M underspend on fuel and repair costs for the library link van. There is a forecast £0.1M reduction in income against both Leighton Buzzard Theatre (£0.033M) due to lower ticket sales and bar receipts, and the library service and fines (£0.064M).

24. Public Protection is forecast a £0.08M overspend due to staffing costs as a result of delays in the restructure.
25. Community Safety is forecasting a £0.039M underspend, of this £0.058M is due to underspends in staffing due to vacancies within the service, which has helped offset a £0.022M reduction in grant income as we are no longer receiving income from Home Office Independent Domestic Violence Advisor and the Multi Agency Risk Assessment Conference.
26. Waste Service is forecasting a £0.061M overspend, which is due to an overspend of £0.145M for 3rd parties. This includes a forecast overspend of £0.171M on costs for waste disposal and £0.111M overspend on landfill tax due to increased tonnage. These have been partially offset by underspends on the Biffa contract for kerbside collection of £0.123M and £0.032M on maintenance costs of recycling centres as the Household Waste Recycle Centres (HWRC) have recently been renovated. There are also forecast underspends against staffing of £0.05M.
27. Leisure & Active Lifestyles is forecasting a £0.089M overspend. This is due to an overspend of £0.1M against private contractors as a result of the closure of Dunstable Leisure Centre which includes the relocation of the bowling club There is also an overspend due to a reduction in forecast income of £0.043M, of which £0.028M relates to the Leisure centre closure and £0.015M relates to the Leisure Management Contracts These are partially offset by underspends against buildings & repairs of £0.029M and an forecast staffing underspend of £0.024M as a result of vacancies.
28. Parking is forecasting a £0.005M underspend, this is due to a forecast staffing underspend of £0.031M, partially offset by an overspend of £0.026M for rates at Steppingley Road Car Park.
29. Emergency Planning is forecasting a £0.015M underspend, this is due to vacancies and a reduction in the forecast for training to reflect the needs of the service.

Assets

30. The service area is currently forecasting an underspend of £0.041M. The full year budget for Assets is £4.241M and made up of:
 - Corporate Assets £0.75M
 - Chief Assets Officer £0.1M
 - Head of Facilities Management £4.9M
 - Working Smarter –£0.004M
31. There is a risk of £0.1M on the PFI contract where the numbers of pupils are in decline

resulting in lower recharges to the schools. There is a potential opportunity to recharge the tenants at Kingsland £0.04M as a contribution towards the running costs.

32. Corporate Assets are forecasting an underspend of £0.2M after use of reserves. The main reasons for this are additional rental income from Farms and Commercial units of £0.15M, reduced business rates of £0.04M and reduced staffing costs of £0.02M.
33. The Chief Assets Officer is forecasting an overspend of £0.015M after use of reserves due to a staffing pressure.
34. The Head of Facilities Management is forecasting an overspend of £0.15M primarily due to ongoing pressures for delayed vacation of Stephenson Court and Houghton Lodge. This is partly offset by forecast underspends on staffing due to a number of vacancies and lower than budgeted business rates for Corporate properties.
35. The Working Smarter project is forecasting a nil variance at year end.

IT

36. The full year budget for the service of £5.231M is made up of IT Operations £2.259M and IT Corporate £2.972M. The current forecast is on budget after use of earmarked reserves.
37. Within IT Operations there is a forecast underspend of £0.03M as a result of underspends on staffing due to vacancies.
38. There is a forecast overspend it IT Corporate of £0.93M as a result of contract & software expenses and efficiencies against PSN, networks and data centre that are not expected to be achieved. There is proposed drawdown of £0.9M of earmarked reserves, which results in a forecast overspend after use of reserves of £0.03M.

Regeneration and Business Support

39. The Directorate forecast outturn is below budget by £0.22M as at June 2017.

Month: June 2017	Year to date				Year				
	Budget	Actual	Proposed (use of) / contribution to Earmarked reserves	Variance	Approved Budget	Forecast Outturn	Forecast Variance	Proposed (use of) / contribution to Earmarked reserves	Forecast Variance after use of earmarked reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Regeneration and Business									
Director	218	212	-	(6)	873	874	2	-	2
Business & Investment	(214)	(215)	-	(1)	902	999	97	(111)	(14)
Development Infrastructure Division	1,070	930	(1)	(141)	3,668	3,449	(219)	12	(207)
Total Regeneration and Business	1,074	927	(1)	(148)	5,442	5,322	(120)	(99)	(219)

40. Business and Investment is forecasting an underspend of £0.014M, the majority of this relates to the ERDF which is forecasting to underspend by £0.010M due to the phasing of the grant income.
41. The Development Infrastructure Division is forecasting an underspend of £0.2M. The underspend is a result of the following: additional income of £0.1M with the majority relating to Minerals & Waste income for applications which are expected in Autumn,

underspends against staffing of £0.17M which is the net result of vacancies across the division some of which have been covered through agency and underspends of £0.01M on car mileage as a result of the vacancies. These underspends are partly offset by overspends on Professional services of £0.08M which is due to community planning work.

Public Health

42. Public Health's forecast outturn is to achieve a balanced budget after proposed use of and contributions to reserves. The Public Health grant is currently ringfenced so any under/overspend results in a movement against the carried forward reserve from 2016/17.

Month: June 2017	Year to date				Year				
Director	Budget	Actual	Proposed (use of) / contribution to Earmarked reserves	Variance	Approved Budget	Forecast Outturn	Forecast Variance	Proposed (use of) / contribution to Earmarked reserves	Forecast Variance after use of earmarked reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Public Health									
Director of Public Health	(2,827)	(3,002)	-	(175)	(11,309)	(12,260)	(951)	951	-
Assistant Director of Public Health	2,842	2,935	-	93	11,370	12,257	887	(887)	-
Total Public Health	15	(67)	-	(82)	61	(3)	(64)	64	-

Chief Executive

43. The Directorate forecast outturn is a minor overspend of £0.016M as at June 2017.

Month: June 2017	Year to date				Year				
Director	Budget	Actual	Proposed (use of) / contribution to Earmarked reserves	Variance	Approved Budget	Forecast Outturn	Forecast Variance	Proposed (use of) / contribution to Earmarked reserves	Forecast Variance after use of earmarked reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Chief Executive's									
Chief Executive	77	75	-	(2)	309	309	-	-	-
Communications	259	280	-	21	1,036	1,072	36	(20)	16
Total Chief Executive's	336	355	-	19	1,345	1,381	36	(20)	16

Resources

44. The Directorate is forecasting an underspend of £0.067M as at June 2017.

Month: June 2017	Year to date				Year				
Director	Budget	Actual	Proposed (use of) / contribution to Earmarked reserves	Variance	Approved Budget	Forecast Outturn	Forecast Variance	Proposed (use of) / contribution to Earmarked reserves	Forecast Variance after use of earmarked reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Resources									
Director of Resources	12	13	-	1	50	50	-	-	-
Finance Performance and Control	815	870	-	55	3,504	3,479	(25)	-	(25)
Housing Benefit Subsidy	(179)	(104)	(75)	-	(718)	(418)	300	(300)	-
Revs & Bens	440	396	-	(44)	1,761	1,661	(100)	-	(100)
Audit	146	119	-	(27)	582	537	(45)	-	(45)
Legal Services	454	547	-	93	1,818	1,824	6	-	6
Governance	563	594	-	31	2,346	2,470	124	(25)	99
People	531	548	(47)	(30)	2,122	2,212	90	(92)	(2)
Total Resources	2,782	2,983	(122)	79	11,465	11,815	350	(417)	(67)

45. Within Revenues & Benefits the admin subsidy grant income is expected to be an additional £0.25M higher than budget. The total income received for administration of housing benefits from DWP and DCLG for 2017/18 has not reduced as much as originally anticipated. There is also forecast overspend of of £0.3M in Housing Benefit Related Transactions. This is as a result of net recovery of overpaid housing benefit being lower than budgeted due to higher levels of historic write offs than in previous years. The adverse impact of this is proposed to be covered by earmarked reserves.
46. Democratic Services are forecasting an overspend of £0.1M largely due to an unachievable efficiency on Local Land Charges income.
47. Within Finance Performance and Control there is an underspend on salaries due to vacancy savings within Financial Operations of £0.026M. This is due to a number of vacancies in Brokerage & Direct Payments.
48. There is a forecast underspend within Audit of £0.045M due to an underspend on salaries due to a vacant Audit Manager post £0.043M and an underspend on printing and stationery of £0.002M.

Corporate Costs

49. Corporate Costs is forecasting an overspend of £0.433M as at June 2017.

Month: June 2017	Year to date				Year				
	Budget	Actual	Proposed (use of) / contribution to Earmarked reserves	Variance	Approved Budget	Forecast Outturn	Forecast Variance	Proposed (use of) / contribution to Earmarked reserves	Forecast Variance after use of earmarked reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Corporate Costs									
Debt Management	3,554	3,554	-	-	14,217	14,217	-	-	-
Premature Retirement Costs	452	452	-	-	2,756	2,689	(67)	-	(67)
Corporate Public Health Recharges	(158)	(151)	-	7	(631)	(631)	-	-	-
Corporate HRA Recharges	(30)	(30)	-	-	(120)	(120)	-	-	-
Efficiencies	(270)	(32)	-	238	(348)	152	500	-	500
Contingency and Reserves*	(1,737)	(2,713)	976	-	(3,794)	(8,200)	(4,406)	4,406	-
Total Corporate Costs	1,811	1,080	976	245	12,080	8,107	(3,973)	4,406	433

50. Within Premature Retirement Costs there is an expected underspend of £0.067M. Figures provided by Bedfordshire Pension indicate a saving against budget.
51. There is a forecast pressure of £0.500M in Cross Cutting Efficiencies due to the risk that part of the Vacancy Management target efficiency may not be achieved. All of the efficiency is budgeted within Corporate Costs but the savings will materialise within each directorate. As the year progresses the pressure in Corporate Costs will be offset by employment cost savings across all directorates. The overall impact across the Council is being closely monitored.